

Subcommittee on Communications, Technology and the Internet Hearing

The National Broadband Plan: Competitive Availability of Navigation Devices

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April 29, 2010

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Good morning.

Today the Subcommittee considers the steps that will be necessary to enable TV viewers to go to electronics stores and shop for set-top boxes much the same way people shop for TV sets today.

The set-top boxes would be made by a variety of manufacturers who would compete with each other in offering various features such as digital video recording, or Internet based

functionality. Competition would also be based on the price of the box.

Some of the more capable devices could become the hubs for a home entertainment center, switching information of all kinds throughout the household.

The boxes, whether simple or sophisticated, would all have a key capability not present today, and that is the ability to receive the input of TV channels from any cable or satellite company and display those channels on TV sets.

If that capability is assured, set-top boxes will become competitively available, and a tremendous amount of innovation will occur in their design, manufacture and marketing.

TV viewers will be able to make a one-time purchase of a set-top box and keep it in service even if they switch cable providers.

We have long tried to achieve the goal of making what we call navigation devices

competitively available.

In fact our effort dates from the Telecom Act of 1996 when we directed the FCC to adopt rules to assure plug and play capability between competitively available set-top boxes and all cable systems.

Almost 15 years later, that plug and play capability still does not exist.

This morning we consider the next steps that should be taken.

In the National Broadband Plan, the FCC appropriately highlighted the need for a direct to consumer market for navigation devices and the benefits that devices with both TV inputs and Internet access can bring to our effort to expand broadband adoption.

I was pleased that the FCC published a Notice of Inquiry as a first step in assuring that by the end of 2012 all cable and satellite TV providers include with their services a simple gateway

device that converts the cable or satellite company's TV signals into a common output that could be processed by whatever set-top box the viewer may own.

In the shorter term, the Commission is proceeding with a Notice of Proposed Rule Making with the goal of addressing the shortcomings in the existing CableCARD program as an interim measure until gateway devices are widely deployed.

The CableCARD is used by TIVO, the major provider of digital video recorders available at retail for conditional access to cable programs. A workable CableCARD system could bring other providers into the market as well.

To date, the CableCARD regime has been riddled with complications. First, installation of a CableCARD typically involves several multi-hour visits by sometimes untrained technicians. Second, pricing of the CableCARD has been inconsistent and is often expensive. Third, some cable operators have been moving programming to switched digital platforms to make more efficient use of their bandwidth. But, a CableCARD-enabled device cannot access switched digital video without modifications.

Revised CableCARD rules are needed for the nearterm as the Commission moves to implement the gateway device proposal by the end of 2012.

Our witnesses today will speak to the barriers we must overcome for TV viewers to realize the benefits of true set-top box plug and play capability.